

#### **CDBG Recipients' Workshop 2020**

# The Uniform Relocation Assistance and Real Property Acquisition Policies Act



"The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970"

To provide uniform, fair and equitable treatment of persons whose real property is acquired or who are displaced in connection with federally funded projects

To ensure relocation assistance is provided to displaced persons to lessen the emotional and financial impact of displacement



To ensure that no individual or family is displaced unless decent, safe, and sanitary (DSS) housing is available within the displaced person's financial means

To help improve the housing conditions of displaced persons living in substandard housing

To encourage and expedite acquisition by agreement and without coercion



The following process DOES NOT include acquisition that will result in DISPLACEMENT of "bona fide" residents of the property

RELOCATION of displaced persons is required in those circumstances



- "The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970" – URA
- □49 CFR Part 24 is the government-wide regulation that implements the URA.
- □HUD Handbook 1378 provides HUD policy and guidance on implementing the URA and 49 CFR Part 24 for HUD funded programs and projects.
  - Section 104(d) of the Housing and Community Development Act

Required regardless of source of funds used to Acquire real property

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#### **5 BASIC STEPS TO ACQUISITION**

- 1. NOTIFY property owner of intent to acquire property
- 2. NOTIFY property owner & tenants of their "URA Protections"
- 3. DETERMINE "Just Compensation" (FMV)
- 4. OFFER Just Compensation
- 5. COMPLETE sale as expeditiously as possible



# Step 1. Notify Property Owner of Intent to Acquire Property

- □ This is a PRELIMINARY acquisition notice

  General Information Notice (GIN)
- "Notice of Interest" or "Notice of Intent to Acquire"
- □ Sample letter available upon request



### Step 2. Notify Property Owner & Tenants of their URA Protections

- ■Essential: Send/deliver the HUD Brochure with the Notice of Intent (see Step 1) **Document Delivery of Notice** 
  - "When a Public Agency Acquires your Property"
- □Brochure can be found at the following site:

  <a href="https://www.hudexchange.info/programs/reloc">https://www.hudexchange.info/programs/reloc</a>

  ation/publications/



#### Step 3. Determine "Just Compensation"

- □Just Compensation = Fair Market Value (FMV)
- Requires Appraisal and a Review Appraisal
  - □Unless...simple acquisition < \$10,000.00
- □ Qualifications for appraisers may be found in the URA regulation



#### Step 3. "Just Compensation" (cont.)

#### For simple acquisitions < \$10,000: "Waiver Valuation"

- □ Appropriate valuation methodology must be used (tax records, for example)
- Valuation must be conducted by a person that has sufficient understanding of appraisal principles and the local real estate market to be qualified to prepare it.
- Owner still has right to appraisal



#### Step 3. "Just Compensation" (cont.)

#### **For Property Donations:**

- □ Owner must be informed of appraisal & just compensation rights (\$)
- ☐ <u>Waiver</u> must be provided by owner in writing (use HUD Form)



#### Step 4: Offer Just Compensation

- "Notice of Just Compensation and Summary Statement"
- ☐ This is a <u>written</u> purchase offer
- ☐ Must summarize basis for the offer, including...
  - i. Property Description
  - ii. ID of any building, equipment & fixtures included



#### **Step 5: Complete Sale ASAP**

- □Consider community meeting if large # of easements or ROW's are needed
- □Consider "Face-to-Face" contact
- □Local Government must consider owner's viewpoints & may update appraisal as a result
- □All property transfer costs must be paid by the program
- □ Deed must be filed at courthouse



#### DCA will monitor your files for...

- □ List of acquired properties
- ■Evidence that all notices were provided
- □Copies of any waivers
- □Copy of appraisal & review appraisal
  - □Or method of valuation for <\$10,000
- □ Property Description
- □Closing or settlement statement
- ■Evidence of payment
- □ Evidence of property transfer & copy of recorded deed

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#### Web Resources

https://www.fhwa.dot.gov/real\_estate/
uniform\_act/index.cfm

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# Questions??

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## Thank You!

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